

**AGENDA**  
**EXECUTIVE FINANCE COMMITTEE**  
February 24, 2016 at 1:30 P.M.

**Location:** Treasury Conference Room, KC Admin. Bldg., Room 610 (6<sup>th</sup> Floor)

***Committee Members: Councilmember Dave Upthegrove, Chair, Dwight Dively, Director PSB; Ken Guy, Director FBOD; Caroline Whalen, County Administrative Officer***

***Staff: Scott Matheson, Treasury Operations Manager; Mike Smith, Chief Investment Officer; Christine Denis, Credit Analyst; Manny Cristobal, Financial Accounting Supervisor***

**AGENDA ITEMS**

1. **Action:** Approval of Minutes of the January 27, 2016 Executive Finance Committee meeting (page 2)
2. **Action:** Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code): ): Approve the request for a seven-year line of credit to the KCIT Services Fund 5531 to establish an escrow for data center bond defeasance. Approve the amount of request up to \$8.1 million for the period of March 2016 to December 31, 2023 with repayments through existing KCIT rates. The amount requested will be reviewed every year based on projected cash flow for the period. (pages 3-5)  
*Bill Kehoe, CIO/KCIT Department Director*  
*Christine Chou, KCIT CFO*
3. **Briefing:** Short update on long-term investment project  
*Mike Smith, Chief Investment Officer*
4. **Briefing:** Survey Results from 2016 Investment Pool Participant Meeting (page 6)  
*Mike Smith, Chief Investment Officer*
5. **Briefing:** January 2016 Investment Summary
  - Issuer Diversification , Credit Exposure and Compliance Report (page 7)
  - King County Investment Pool Yield & Duration versus Custom Benchmark (page 8)
  - Detailed Transaction Report - Investment Activity Summary (page 9)
  - King County Investment Pool Asset Allocation (page 10)
  - King County Investment Pool Maturity Distribution (page 11)
  - Investment Performance Review & Impaired Pool Summary (pages 12-20)
  - Interest Rate Summary (page 21)*Mike Smith, Chief Investment Officer*
6. **Action:** Committee's direction for investment of idle cash balances of specific County funds not needed for immediate expenditure.  
**Staff Recommendation:** Direct the Treasury Section to target the maximum average duration of the King County Investment Pool at the 0.8 to 1.3 year range.  
*Mike Smith, Chief Investment Officer*
7. **Briefing:** Interfund Borrowing for January 2016 (page 22)
  - Interfund Interest Report – County Tier 2 Funds
  - Pooled Tier 1 County Funds with Negative Cash Balances
  - Excluded County Funds with Negative Balances – Tier 2 Funds Not Paying Interest*Manny Cristobal, Financial Accounting Supervisor*
  - Interfund Loans Among District & Non-County Funds (page 23)
  - Interfund Borrowings – EFC Approved Loans (page 24)*Mike Smith, Chief Investment Officer*

**OTHER BUSINESS**

**ADJOURNMENT**

**MINUTES**  
**EXECUTIVE FINANCE COMMITTEE**  
**January 27, 2016**

The Executive Finance Committee (EFC) Meeting was held January 27, 2016 at 1:30 and adjourned at 2:40 p.m.

**Members Present**

Dave Upthegrove  
Dwight Dively  
Caroline Whalen  
Ken Guy

**Others Present**

Rachelle Celebrezze  
Manny Cristobal  
Scott Matheson  
John Molloy  
Hanh Mai  
Elissa Benson  
Dave Preugschat  
Scott Faires, IPAC

**Others Present -**

**Continued**

Mike Smith  
Christine Denis  
Dave Reich  
Peggy Pahl  
Jenifer Merkel  
Cheryl Lee  
Dan Kaplan  
Jeff Muhm

**Members Absent**

**ACTION ITEMS**

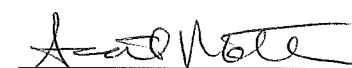
1. **Minutes** – The Committee unanimously approved the Minutes of the December 2, 2015 Executive Finance Committee meeting.
2. **Interfund Loan Policy and Procedure** – The Committee unanimously approved the adoption of the revised policy and procedures as written.
3. **Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code)** – After being informed that the County's bond counsel had reviewed the tenants for the King Street Center for compliance with "private use" restrictions, the Committee unanimously approved the request from the Building Repair and Replacement Fund 3951 to increase the amount of their existing interfund loan due 12/31/2020 to \$4,976,000 from \$2,276,000.
4. **"Official Intent" Motion** – The Committee unanimously approved the motion documenting the County's intent to re-purpose unused bond proceeds from the LTGO 2011, Series C bonds (Taxable) in a maximum amount of \$2.6 million for the demolition of the existing facility on the site of the North District Multiservice Center.
5. **Investment Direction** – The Committee unanimously approved the Treasury recommendation to maintain the maximum effective duration of the King County Investment Pool in the 0.8 to 1.3 year range.

**BRIEFINGS**

1. **Quarterly Review of Investment Pool** – John Molloy of PFM presented the 4<sup>th</sup> quarter review of the King County Investment Pool. He noted that the pool had high levels of liquidity, diversification, credit quality, and was in compliance with all policies. He also observed an increase in the allocation to bank notes and commercial paper holdings. He further remarked that bank notes and commercial paper offered a yield advantage over Treasuries and Agencies, while also being strong credits. He noted that the pool's duration was somewhat shorter than last quarter. Even though the pool had a shorter duration, it was able to maintain its yield by utilizing shorter, but higher yielding bank notes. Finally, he noted that the pool had both a good quarter and a good year, and he commented that the investment team's allocation decisions made good sense.
2. **January 2016 Investment Summary** – The Committee was provided a summary report showing the pool was in compliance with all its policies, reviewed investment performance, and monthly investment activity. In addition, the Committee reviewed the distribution of investment holdings by maturity, security type, credit rating, and issuer. The Committee was updated on the payments received from the VFNC Trust investment. The Committee was also updated that Rhinebridge's Receiver is now hoping to make a final distribution before the end of the first quarter. Finally, the Committee was briefed on the current interest rate and economic environment.
3. **January 2016 Interfund Borrowing** – The Committee was provided a review of both County and non-County interfund borrowing.

**OTHER BUSINESS**

None

  
Scott Matheson, Treasury Manager



February 16, 2016

TO: Mike Smith, DES Investment Officer

FM: Bill Kehoe,  Chief Information Officer

RE: Request for Executive Finance Committee (EFC) Approval on Internal Borrowing – Follow Up

This is a follow-up from the previous memo I sent requesting an approval for an automated negative borrowing for KCIT Services Fund 5531. Initial request was for up to \$11.4M during the period of December 1, 2015 – December 31, 2022. Since then, the County's bond counsel's analysis has brought down the amount to defease, therefore it reduces the potential negative fund balance and the amount to borrow up to \$8.1M during the period March 1, 2016 – December 31, 2023.

#### Background

King County leases data center space from Sabey Corporation. As the technology in the County is moving toward servers' virtualization and cloud technology, the amount of space needed for the data center is also decreasing. In addition, the completion of the mainframe rehost project is also freeing up a large amount of space at the data center.

The Data Center operation cost, including the lease cost is mainly funded by County agencies based on the rack space occupied. As the space is getting smaller, the operations will not be able to cover the current cost without increasing the service rates charged to the participated agencies. To avoid rates increase and deficit in the operation, KCIT and FMD approached Sabey for the possibility to reduce the space thus reducing the lease amount.

Sabey is willing to take over the unused space and planning to rent the space to other customers including private companies. However, King County data center space tenant improvement and the move cost were funded by LTGO and Build America bonds which have limited the use of space to only government and non-profit organizations.

In order for the County to proceed with this effort, the County has to defease the bond by creating an escrow account with the same amount as the remaining bond obligation and its interest, currently at \$9.7M.

**KCIT FUND BALANCE AND LOAN PAYMENTS**  
**CASH FLOW ANALYSIS - PROPOSED PAYMENTS ON INTERFUND BORROWING**

	Year	KCIT Fund Balance Est	Bond Defeasement	CX Payments for FMD Bond <sup>1</sup>	New KCIT Rates (starts after UC Bond paid off) <sup>2</sup>	Total Payments	Loan Balance	KCIT Fund Balance Est
2016	1	4,646,765	(9,700,000)			-	(9,700,000)	(5,053,235)
2017	2	2,833,184				-	(9,700,000)	(6,866,816)
2018	3	2,235,568				-	(9,700,000)	(7,464,432)
2019	4	1,637,952				-	(9,700,000)	(8,062,048)
2020	5	1,741,739			2,500,000	2,500,000	(7,200,000)	(5,458,261)
2021	6	1,845,526			2,500,000	2,500,000	(4,700,000)	(2,854,474)
2022	7	2,000,000			2,500,000	2,500,000	(2,200,000)	(200,000)
2023	8	2,000,000			2,200,000	2,200,000	-	2,000,000
	9	2,000,000					-	2,000,000
	10	2,000,000				-	-	2,000,000

	DC Bond	Interest 2016 -		
	Balance 2015	2020	Total to Defeasement <sup>3</sup>	Rounded
1-Dec	8,120,000	1,491,050	9,611,050	\$ 9,700,000

**Notes:**

<sup>1</sup> FMD bond payments have been paid for by CX fund. CX will discontinue the payments of \$741K/year. FMD bond was a 20 year bond due in 2030

<sup>2</sup> Unified Communication (UC) bond is scheduled to be paid off in 2019. This is currently recovered by the savings from UC operations. Under this plan, this rate will be repurposed to pay back the data center loan.

<sup>3</sup> Total amount to defeasement based on callable option in 2020

# APPENDIX III – COUNTY FUND APPLICATION FORM



**King County**

## COUNTY FUND APPLICATION FOR INTERFUND LOAN

### COUNTY FUND MANAGER CONTACT INFORMATION

Fund name and number: KCIT Services/Fund 5531

Fund Manager: William Kehoe

Fund Manager Title: CIO

Contact name (if different): Christine Chou

Contact title: CFO

Phone: 263-7845

Fax:

### BORROWING REQUEST DETAILS

Fund name: KCIT Services

Fund number: 5531

Term of loan requested (projected start and end date): 3/1/2016 – 12/31/2023

Is this a new loan request or a request to modify an existing loan? New loan

Has this loan request been reviewed by Office of Performance, Strategy and Budget? Yes ☒ No ☐ If "Yes", list the name of the reviewer: Aaron Rubardt

If this a "Funds Transfer Loan" as defined in Section 5.9 of the County's Interfund Loan Policy complete Part A. otherwise complete Part B - No

### PART A

Provide both the fund name(s) and fund number(s) of the lending fund(s).

Who has determined whether the lending fund(s) designated above is legally able to finance this loan?

### PART B

For "Automated Interest Loans" as defined in Section 5.3 list the maximum negative cash balance forecasted during term of loan : \$8.1M

### ADDITIONAL INFORMATION

Why is this borrowing necessary?

KCIT is working with Sabey Corp to reduce lease payments for the data center due to reduction in needed space. Sabey is interested and has a plan to lease the space to private organizations. The tenant improvement cost was funded by a 20 year bond that limits the use of the space to government and non-profit agencies. In order to allow the use of space by private agencies, the County must create an escrow fund and defease the bond. This interfund borrowing is necessary to provide a temporary cash for the escrow fund.

What will be the source of the funds to repay the interfund loan? KCIT Internal Service Rates

If the interfund loan involves a project that is or will be related to a bond issue, has this interfund loan proposal been reviewed by the Treasury Operations Compliance Officer? Yes ☒ No ☐

### FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)

Signature: *William Kehoe*

Print Name: William Kehoe

Title: Chief Information Officer

Date: 12/16/16

**Please include with this application a cash flow forecast showing the fund's cash needs over the expected borrowing period.**

Interfund loan approved? Yes ☐  
No ☐

Date Approved/Denied:

Loan interest rate:

Maximum interfund loan amount approved \$

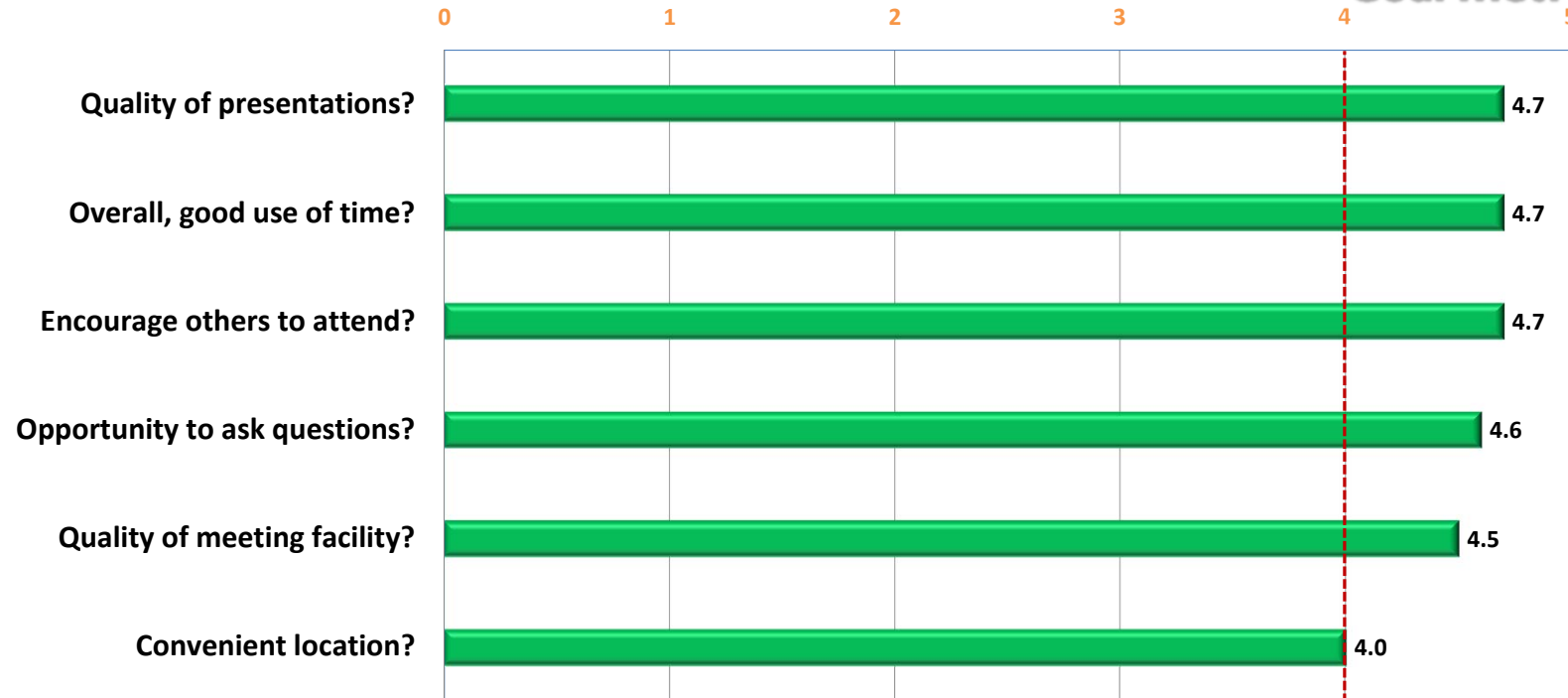
Repayment date:

Other special loan terms or comments:

## Customer Survey Average Ratings for Annual Pool Meeting

January 2016

Goal Met!



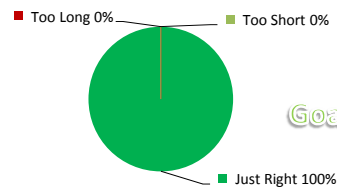
Total responses = 10 of 18 Attendees

"Strongly Agree" = 5 Points

Target:  $\geq 4$

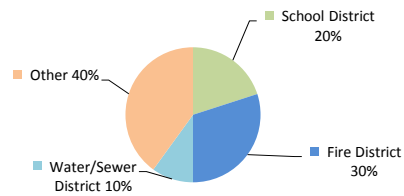
### Length of the Meeting?

Goal  $\geq 63\%$  "Just Right"

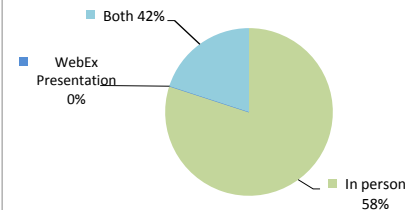


Goal Met!

### Distribution of Respondents by District Type



### Preference for Future Meetings



#### Comments:

- 1 Excellent content, very helpful
- 2 9:00 am start time is difficult, morning traffic, I much prefer previous years' early afternoon start time
- 3 Prefer in person (meeting type)
- 4 I like coming to the presentation in person. however, I understand those whose travel to and from the site may be longer than the annual meeting itself. Their may be more attendance and participation if both options were offered. (WebEx and In Person)
- 5 Continue to remind districts that King County Treasurer happy to attend District board meeting. Very helpful service!!
- 6 Nice overview! It's great to check in at least annually.
- 7 Overall nice job by all presenters
- 8 Prefer an afternoon start time, but morning was acceptable

**KING COUNTY INVESTMENT POOL**  
**ISSUER DIVERSIFICATION, CREDIT EXPOSURE and COMPLIANCE REPORT**  
1/31/16

*The investment pool complies with all constraints listed in Schedule 1 of the investment policy*

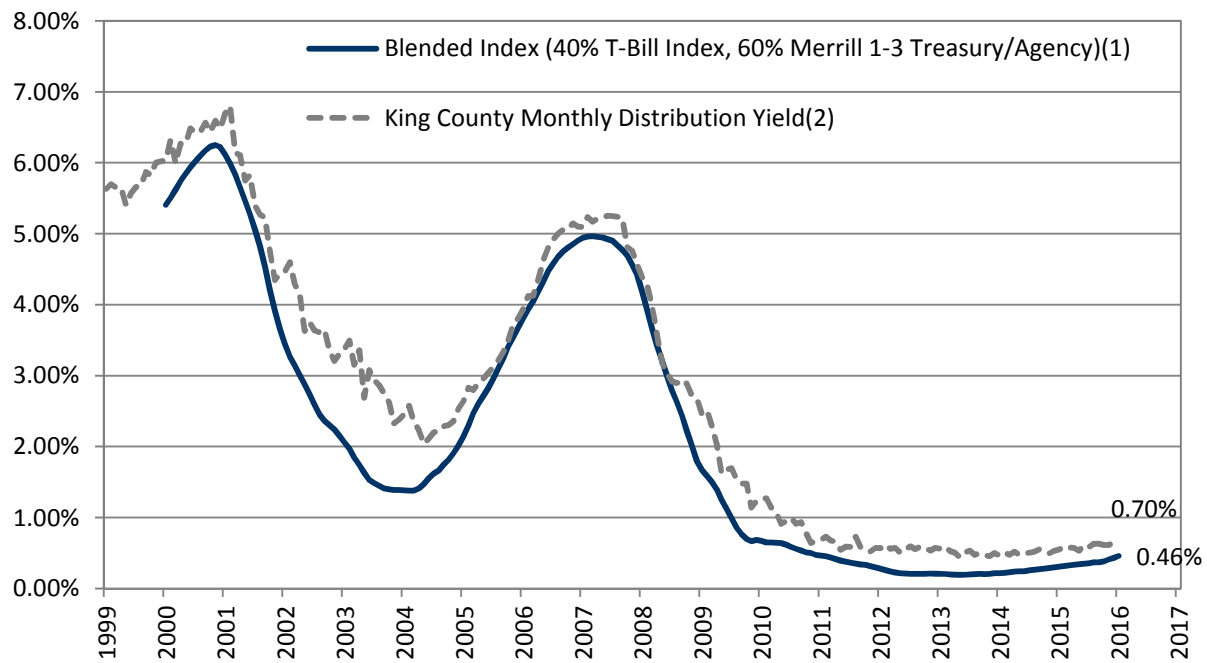
	Book Value	% of Portfolio	Issuer Limits/Restrictions	Credit Agency Ratings			Minimum Credit Restrictions	Maximum Maturity
				S&P	Moody's	Fitch		
<b>U.S. TREASURIES</b>		<b>100%</b>	<b>NONE</b>				<b>NONE</b>	<b>5 Years</b>
U.S. T-Bills or T-Notes	\$2,126,920,011.91	36.3%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
<b>U.S. AGENCIES</b>		<b>100%</b>	<b>35% per agency across investment type</b>				<b>NONE</b>	<b>5 Years</b>
Federal Home Loan Bank (FHLB)	\$614,803,840.76	10.5%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
Federal National Mortgage Association (FNMA)	\$395,245,464.49	6.7%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
Federal Home Loan Mortgage Corporation (FHLMC)	\$325,548,654.70	5.6%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
Federal Farm Credit Bank (FFCB)	\$926,855,385.32	15.8%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
<b>U.S. AGENCY MORTGAGE BACKED SECURITIES</b>		<b>Not to exceed 25%</b>	<b>35% per agency</b>				<b>NONE</b>	<b>5 Year Average Live</b>
CMO Agencies FNMA	\$6,718,695.19	0.1%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
<b>MUNICIPAL BONDS - GENERAL OBLIGATIONS</b>		<b>Not to exceed 20%</b>	<b>Not to exceed 5%</b>				<b>A or better</b>	<b>5 Years</b>
	\$0.00	0.0%	In Compliance				In Compliance	In Compliance
<b>REPURCHASE AGREEMENTS</b>		<b>100.0%</b>	<b>Not to exceed 25% per dealer</b>				<b>A1/P1/F1<sup>(1)(2)</sup></b>	<b>60 Days</b>
Wells Fargo Securities, Inc. Tri-party Repo	\$189,000,000.00	3.2%	In Compliance	A-1+	N/A	N/A	In Compliance	In Compliance
<b>REVERSE REPURCHASE AGREEMENTS</b>		<b>Not to exceed 20%</b>	<b>Not to exceed 5% per dealer</b>				<b>A1/P1/F1<sup>(1)</sup></b>	<b>6 Months</b>
	\$0.00	0.0%	In Compliance					
<b>LOCAL GOVERNMENT INVESTMENT POOL</b>		<b>Not to exceed 25%</b>	<b>State of WA LGIP only</b>				<b>NONE</b>	<b>N/A</b>
Washington State Treasurer's LGIP	\$332,230,499.14	5.7%	In Compliance	N/A	N/A	N/A		
<b>BANKER'S ACCEPTANCES</b>		<b>Not to exceed 25%</b>	<b>5% per issuer across investment type</b>				<b>A1/P1/F1<sup>(3)</sup></b>	<b>180 Days</b>
	\$0.00	0.0%	In Compliance					
<b>OVERNIGHT DEPOSITS</b>		<b>100%</b>	<b>NONE</b>				<b>COLLATERALIZED</b>	
US Bank	\$11,413,713.41	0.2%						
Key Bank	\$10,732,238.23	0.2%						
Bank of America	\$338,459.68	0.0%						
<b>CERTIFICATES OF DEPOSIT</b>		<b>Not to exceed 25%</b>	<b>5% per issuer across investment type</b>				<b>NONE</b>	<b>1 Year</b>
		0.0%	In Compliance					
<b>COMMERCIAL PAPER</b>		<b>Not to exceed 25%</b>	<b>5% per issuer across investment type</b>				<b>A1/P1/F1, if &gt;100 days A or better</b>	<b>270 Days</b>
BANK OF NOVA SCOTIA	\$49,893,055.56	0.9%	In Compliance	A-1	P-1	F-1+	In Compliance	In Compliance
<b>BANK CORPORATE NOTES</b>		<b>Not to exceed 20%</b>	<b>5% per issuer across investment type</b>				<b>A or better<sup>(3)</sup></b>	<b>5 Years</b>
WELLS FARGO BANK N.A.	\$65,843,784.76	1.1%	In Compliance	A	Aa3	A+	In Compliance	In Compliance
WELLS FARGO BANK N.A. (SENIOR)	\$60,008,097.35	1.0%	In Compliance	AA-	Aa2	AA	In Compliance	In Compliance
JP MORGAN	\$15,294,136.12	0.3%	In Compliance	A-	A1	A	In Compliance	In Compliance
US BANK N.A.	\$123,994,351.03	2.1%	In Compliance	AA-	A1	AA	In Compliance	In Compliance
TORONTO DOMINION	\$126,697,370.21	2.2%	In Compliance	AA-	Aa1	AA-	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$10,020,266.67	0.2%	In Compliance	A+	Aa3	AA-	In Compliance	In Compliance
BANK OF MONTREAL	\$40,883,337.06	0.7%	In Compliance	A+	Aa3	AA-	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$113,174,890.28	1.9%	In Compliance	A+	Aa3	AA-	In Compliance	In Compliance
ROYAL BANK OF CANADA	\$121,349,831.19	2.1%	In Compliance	AA-	Aa3	AA	In Compliance	In Compliance
PNC BANK	\$73,439,789.89	1.3%	In Compliance	A	A2	A+	In Compliance	In Compliance
BANK OF AMERICA	\$118,837,607.07	2.0%	In Compliance	A	A1	A+	In Compliance	In Compliance
	\$5,859,243,480.02	100.0%						

ADDITIONAL PORTFOLIO LEVEL REQUIREMENTS	Actual	Status
Effective Duration Less Than 1.5 Years	0.939	In Compliance
40% of Portfolio Value 12 Months or Less	62.5%	In Compliance
Corporate Exposure Not Greater Than 50%	15.7%	In Compliance

Note:
(*) = credit watch
(-) = negative outlook
(+) = positive outlook

- (1) Must be rated by at least one nationally recognized rating agency  
(2) Also backed by collateral  
(3) Must be rated by at least 2 nationally recognized rating agencies

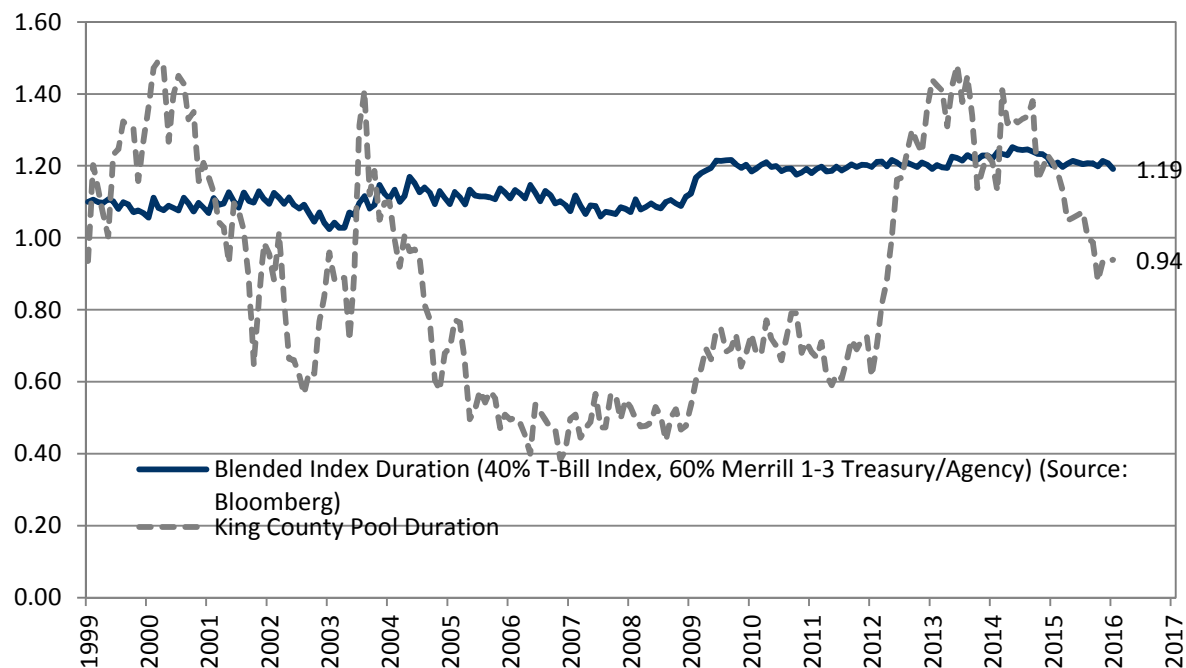
## King County Monthly Distribution Yield Versus Custom Index



(1) Calculation for index return adjusted from coupon return to the 12-month moving average of the index's effective yield. (Source: Bloomberg)

(2) Does not include negative distributions from the Impaired Pool

## King County Monthly Duration Versus Custom Index





# DETAIL TRANSACTION REPORT



## January Transactions

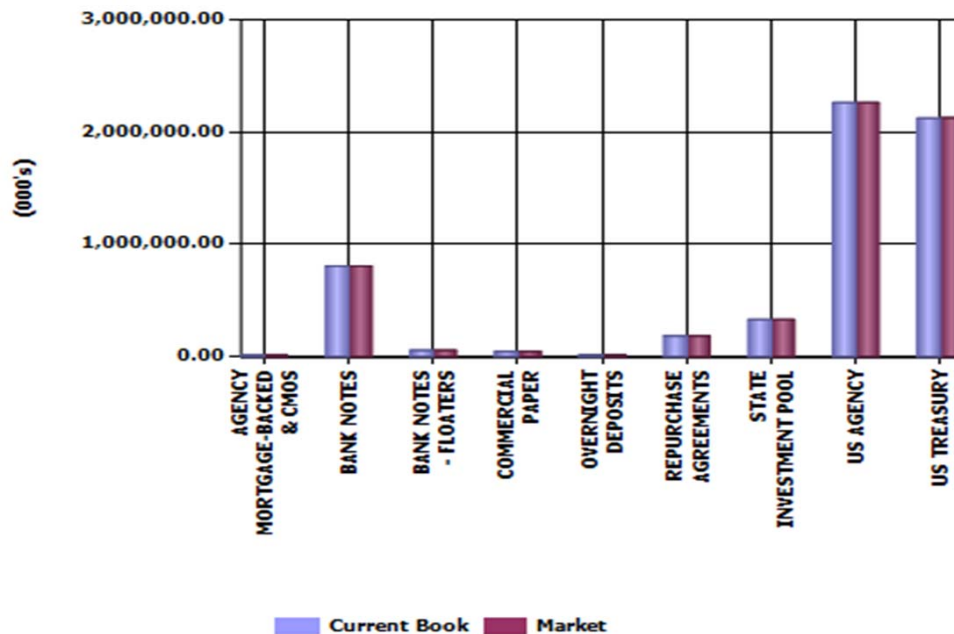
DESCRIPTION	AVG RATE		AVG PAR VALUE				
PURCHASES							
TRI PARTY REPO	.330		89,000,000.00				
DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE	GAIN/(LOSS)
PURCHASES							
CAN IMPERIAL BK	1.350	07/18/2016	01/11/2016	.909	10,000,000.00	10,022,800.00	
BANK NOVA SCOTIA	1.950	01/15/2019	01/15/2016	1.991	30,000,000.00	29,964,300.00	
TORONTO DOM BANK	1.950	01/22/2019	01/22/2016	1.980	35,000,000.00	34,969,550.00	
LOCAL GOVT INVESTMENT PO	.387	02/01/2016	01/31/2016	.387	109,223.82	109,223.82	
TOTAL PURCHASES					75,109,223.82	75,065,873.82	
DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE	GAIN/(LOSS)
SELLS							
US TREASURY NOTE	.375	03/15/2016	01/14/2016	.383	50,000,000.00	49,999,305.30	10,460.33
US TREASURY NOTE	.250	05/15/2016	01/15/2016	.450	50,000,000.00	49,967,045.88	5,610.37
US TREASURY NOTE	.250	05/15/2016	01/27/2016	.450	50,000,000.00	49,970,314.05	6,248.45
TOTAL SELLS					150,000,000.00	149,936,665.23	22,319.15

# KING COUNTY INVESTMENT POOL as of January 31, 2016

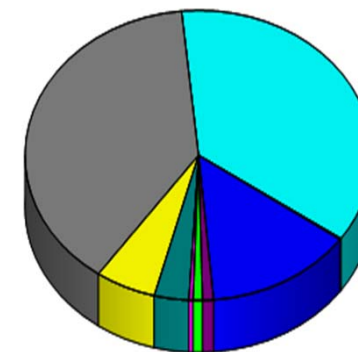


Assets (000's)	Current Par	Current Book	Current	Mkt/ Cur	Yield
AGENCY MORTGAGE-BACKED & CMOS	6,609.36	6,718.70	7,179.49	106.86%	4.34%
BANK NOTES	807,400.00	809,535.36	809,377.72	99.98%	1.29%
BANK NOTES - FLOATERS	60,000.00	60,008.10	59,985.00	99.96%	0.53%
COMMERCIAL PAPER	50,000.00	49,893.06	49,891.11	100.00%	0.55%
OVERNIGHT DEPOSITS	22,484.41	22,484.41	22,484.41	100.00%	0.00%
REPURCHASE AGREEMENTS	189,000.00	189,000.00	189,000.00	100.00%	0.35%
STATE INVESTMENT POOL	332,230.50	332,230.50	332,230.50	100.00%	0.39%
US AGENCY	2,262,569.00	2,262,453.35	2,262,957.17	100.02%	0.50%
US TREASURY	2,125,000.00	2,126,920.01	2,130,817.30	100.18%	0.81%
<b>Totals (000's):</b>	<b>5,855,293.27</b>	<b>5,859,243.48</b>	<b>5,863,922.70</b>	<b>100.08%</b>	<b>0.72%</b>

## ASSET ALLOCATION



CURRENT PAR %



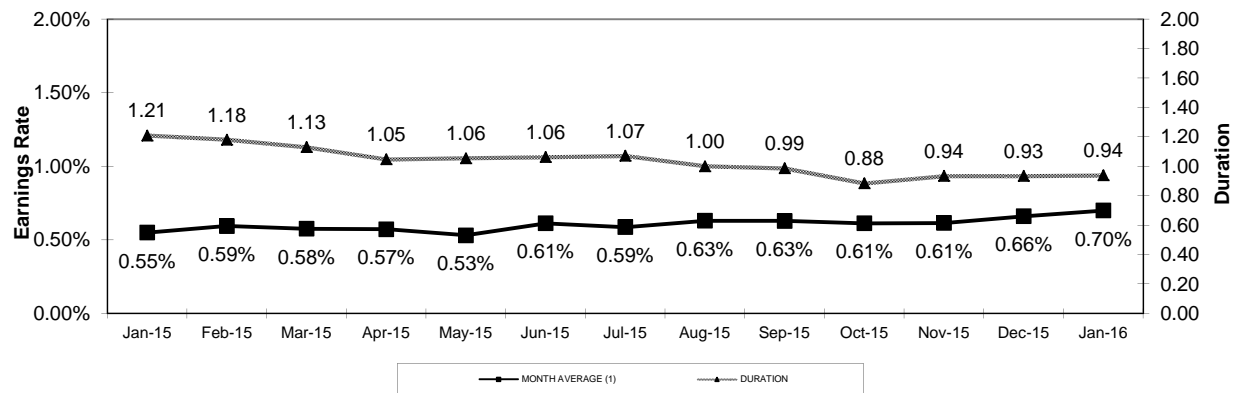
# KING COUNTY INVESTMENT POOL

## MATURITY DISTRIBUTION AS OF 01/31/2016

<u>CALL/MATURITY</u>	<u>DATE RANGE</u>	<u>NO OF INV</u>	<u>BOOK VALUE</u>	<u>%</u>	<u>CUM %</u>
0 TO 1 MONTHS	02/01/16 - 03/03/16	11	866,397,125.01	14.8%	14.8%
1 TO 3 MONTHS	03/04/16 - 04/30/16	13	496,426,330.04	8.5%	23.3%
3 TO 6 MONTHS	05/01/16 - 07/31/16	18	804,726,190.05	13.7%	37.0%
6 TO 12 MONTHS	08/01/16 - 01/31/17	38	1,494,281,940.95	25.5%	62.5%
12 TO 24 MONTHS	02/01/17 - 01/31/18	36	1,364,976,463.00	23.3%	85.8%
24 TO 36 MONTHS	02/01/18 - 01/31/19	21	780,648,943.78	13.3%	99.1%
36 TO ** MONTHS	02/01/19 -	6	51,786,487.19	0.9%	100.0%
GRAND TOTALS		143	5,859,243,480.02		

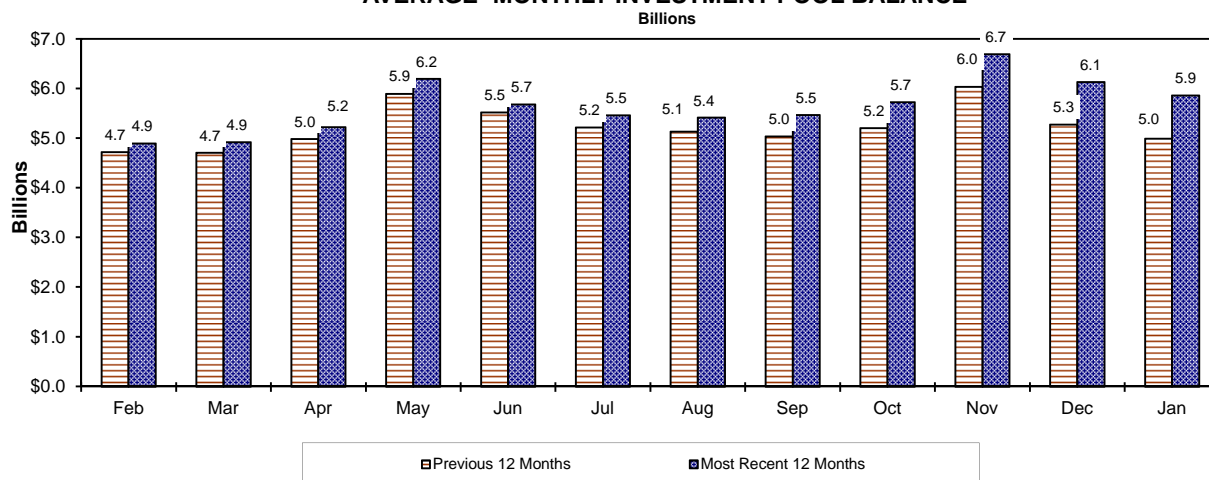
# KING COUNTY INVESTMENT POOL

## EARNINGS DISTRIBUTION RATE & EFFECTIVE DURATION



(1) Not adjusted yet for realized losses on commercial paper investments.

## AVERAGE MONTHLY INVESTMENT POOL BALANCE



## KC GENERAL FUND YTD INTEREST EARNINGS

January 31, 2016

	<u>BUDGET</u> <sup>(1)</sup>	<u>ACTUAL</u> <sup>(2)</sup>	<u>DIFFERENCE</u>
YTD AVG BALANCE (millions)	N/A	\$126	N/A
YTD YIELD	N/A	0.71%	N/A
INTEREST DISTRIBUTION (\$)	N/A	\$75,417	N/A
AUTOMATIC INTEREST (\$)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>TOTAL INTEREST (\$)</b>	<b><u>N/A</u></b>	<b><u>\$75,417</u></b>	<b><u>\$0</u></b>

## YTD POOL FEE REVENUE <sup>(3)</sup>

	<u>BUDGET</u> <sup>(1)</sup>	<u>Collected</u> <sup>(2)</sup>	<u>Potential Rebate</u>
DIRECT COST FEE DUE TO GF	N/A	\$113,110	\$113,110
DIRECT COST FEE TO FBOD	N/A	\$8,773	\$8,773
<b>TOTAL YTD DIRECT POOL FEES</b>	<b><u>N/A</u></b>	<b><u>121,882</u></b>	<b><u>\$121,882</u></b>
	<u>BUDGET</u> <sup>(1)</sup>	<u>Actual</u>	<u>Difference</u>
CASH MGMT FEE TO GF	N/A	\$46,698	N/A
CASH MGMT FEE TO FBOD	N/A	\$1,805	N/A
<b>TOTAL YTD CASH MGMT FEES</b>	<b><u>N/A</u></b>	<b><u>48,503</u></b>	<b><u>N/A</u></b>

YTD TOTAL POOL DISTRIBUTION	\$3,497,005
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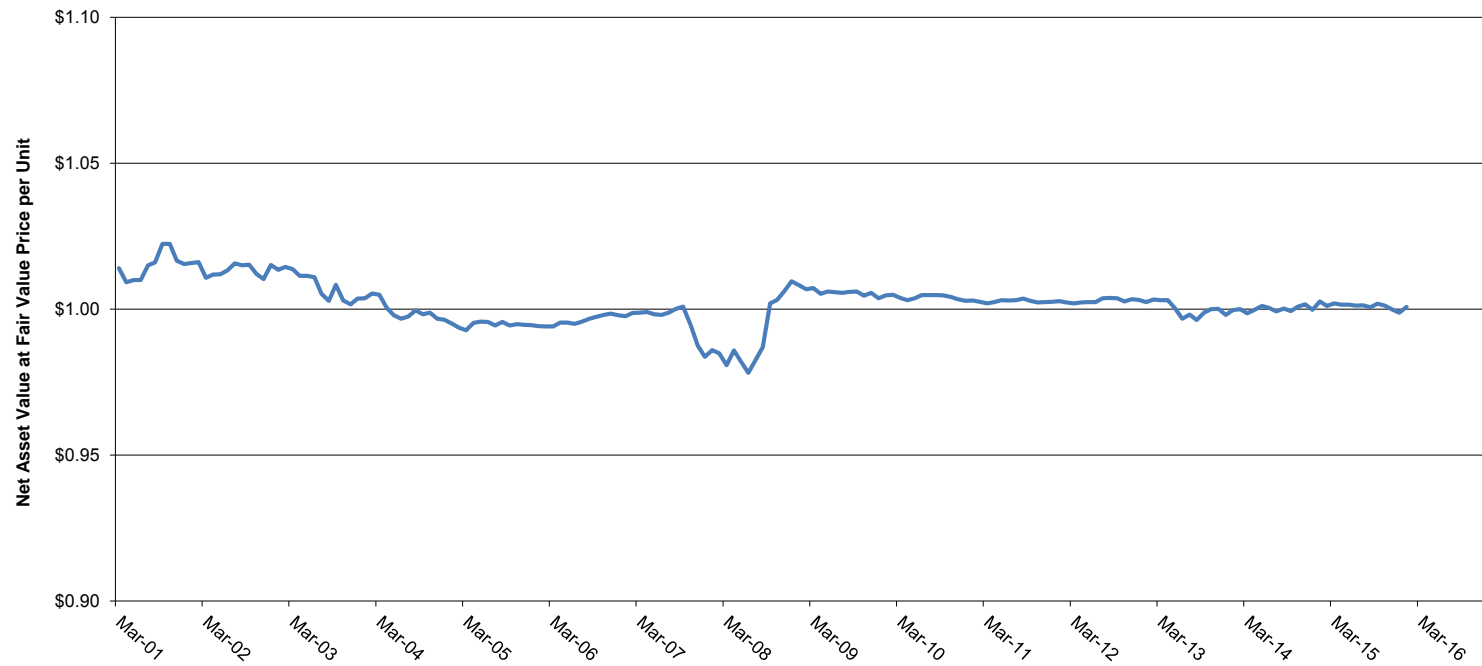
(1) 2016 information not currently available

(3) Collecting 2.5 basis points for direct fees, but will rebate difference between collected and actual expenses after the fiscal year closes.

## King County Investment Pool Fair Value Report

	11/30/15	12/31/15	01/31/16
<b><u>Net Assets (1)</u></b>			
Net Assets held in trust for pool participants	<u>\$ 6,517,598,014.90</u>	<u>\$ 6,174,552,397.46</u>	<u>\$ 5,841,659,593.66</u>
Net assets consist of:			
Participant units outstanding (\$1.00 par)	\$ 6,518,501,308.94	\$ 6,181,965,304.73	\$ 5,836,980,369.47
Undistributed and unrealized gains(losses)	<u>\$ (903,294.04)</u>	<u>\$ (7,412,907.27)</u>	<u>\$ 4,679,224.19</u>
Net Assets	<u>\$ 6,517,598,014.90</u>	<u>\$ 6,174,552,397.46</u>	<u>\$ 5,841,659,593.66</u>
Total Pool -- Net asset value at fair value price per unit	<b><u>\$0.9999</u></b>	<b><u>\$0.9988</u></b>	<b><u>\$1.0008</u></b>

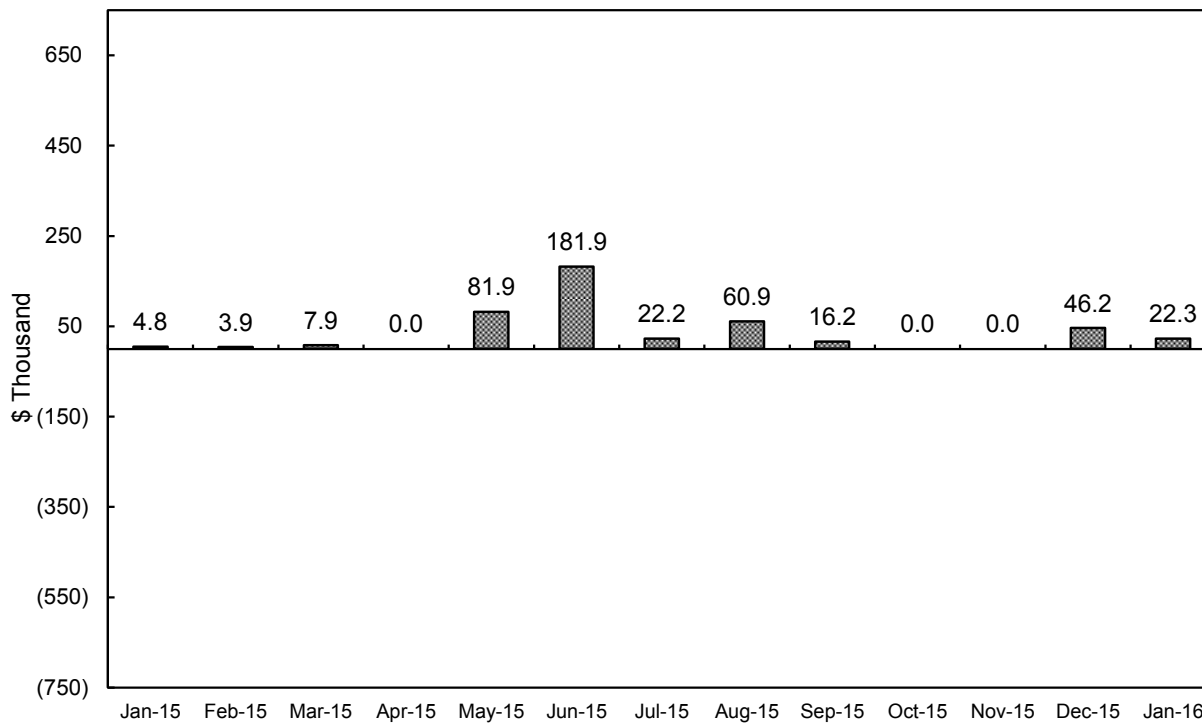
## King County Investment Pool History of Fair Value per Dollar Invested (1)



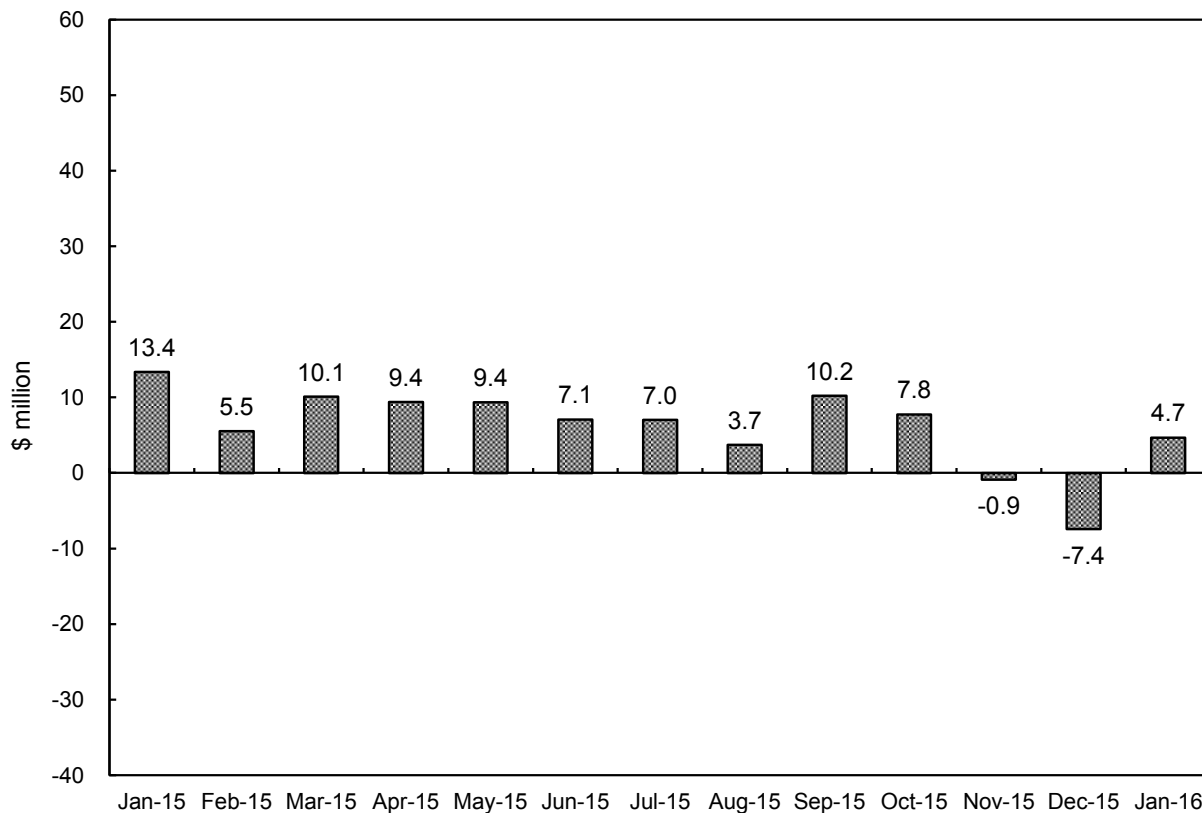
(1) Impaired securities were separated from main pool on 9/1/08

# GAIN / LOSS SUMMARY

## TOTAL REALIZED GAIN OR LOSS (1)



## NET UNREALIZED GAIN OR LOSS (TOTAL PORTFOLIO)



(1) Excludes losses from impaired CP

KING COUNTY TREASURY OPERATIONS  
SEATTLE, WASHINGTON

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(MANFIN)

SORTING ORDER: MATD

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\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
711	LOCAL GOVT INVESTM	.387215	.387215	02/01/16	100.000000	332,230,499.14	332,230,499.14	332,230,499.14	.00	1,286,445.33
1522	CASH-US BANK	.001000	.001000	02/01/16	100.000000	11,413,713.41	11,413,713.41	11,413,713.41	.00	114.14
1523	CASH-KEY BANK	.001000	.001000	02/01/16	100.000000	10,732,238.23	10,732,238.23	10,732,238.23	.00	107.32
1524	CASH-BOFA	.001000	.001000	02/01/16	100.000000	338,459.68	338,459.68	338,459.68	.00	3.38
2456	WELLS FARGO TRI RE	.350000	.350000	02/01/16	100.000000	189,000,000.00	189,000,000.00	189,000,000.00	.00	661,500.00
2094	FED HOME LN BANK	.270000	.273006	02/05/16	100.001000	50,000,000.00	49,999,983.56	50,000,500.00	516.44	136,503.07
2190	FFCB DISCOUNT NT	.000000	.200319	02/12/16	99.992000	25,000,000.00	24,998,472.22	24,998,000.00	-472.22	50,079.85
2192	FFCB DISCOUNT NT	.000000	.200319	02/12/16	99.992000	40,000,000.00	39,997,555.56	39,996,800.00	-755.56	80,127.76
2171	FED HOME LN BANK	.230000	.251873	02/24/16	99.994000	65,000,000.00	64,999,111.88	64,996,100.00	-3,011.88	163,717.22
2170	FED HOME LN BANK	.220000	.254990	02/26/16	99.991000	72,700,000.00	72,698,271.88	72,693,457.00	-4,814.88	185,377.97
2172	FHLB DISCOUNT NT	.000000	.230449	02/26/16	99.982000	70,000,000.00	69,988,819.45	69,987,400.00	-1,419.45	161,314.34
2150	FHLB Discount Note	.000000	.250564	03/03/16	99.974000	25,000,000.00	24,994,618.06	24,993,500.00	-1,118.06	62,640.94
2155	FHLB DISCOUNT NT	.000000	.240524	03/08/16	99.970000	25,000,000.00	24,994,000.00	24,992,500.00	-1,500.00	60,131.09
2102	Wells Fargo Bank N	5.600000	.675271	03/15/16	100.561000	8,623,000.00	8,672,933.55	8,671,375.03	-1,558.52	58,228.61
2159	FANNIE MAE	5.000000	.294437	03/15/16	100.567000	56,545,000.00	56,857,317.45	56,865,610.15	8,292.70	166,489.51
2325	BANK NOVA SCOTIA	.950000	.536293	03/15/16	100.039000	20,000,000.00	20,009,746.66	20,007,800.00	-1,946.66	107,258.68
2160	FED HOME LN BANK	.310000	.294725	03/22/16	99.991000	47,985,000.00	47,985,999.69	47,980,681.35	-5,318.34	141,423.67
2161	FANNIE MAE	.500000	.294589	03/30/16	100.023000	37,936,000.00	37,948,344.64	37,944,725.28	-3,619.36	111,755.19
1306	US Treasury Note	2.375000	.559423	03/31/16	100.310000	50,000,000.00	50,144,852.20	50,155,000.00	10,147.80	279,711.74
2154	FFCB DISCOUNT NT	.000000	.280773	04/04/16	99.937000	35,000,000.00	34,982,850.01	34,977,950.00	-4,900.01	98,270.58
2384	FFCB DISCOUNT NT	.000000	.260299	04/06/16	99.935000	35,000,000.00	34,983,569.44	34,977,250.00	-6,319.44	91,104.63
2178	FED HOME LN BANK	.300000	.300000	04/14/16	99.980000	71,900,000.00	71,900,000.00	71,885,620.00	-14,380.00	215,700.00
2179	FRE DISCOUNT NT	.000000	.255646	04/19/16	99.922000	50,000,000.00	49,972,375.00	49,961,000.00	-11,375.00	127,823.23
2194	FFCB DISCOUNT NT	.000000	.280769	04/20/16	99.921000	33,000,000.00	32,979,723.34	32,973,930.00	-5,793.34	92,653.67
2044	WELLS FARGO BANK	5.750000	.857155	05/16/16	101.328000	20,000,000.00	20,279,323.42	20,265,600.00	-13,723.42	171,430.94
2135	WELLS FARGO BANK	5.750000	.719294	05/16/16	101.328000	26,369,000.00	26,747,106.74	26,719,180.32	-27,926.42	189,670.70
2232	WELLS FARGO BANK	5.750000	.699124	05/16/16	101.328000	10,000,000.00	10,144,421.05	10,132,800.00	-11,621.05	69,912.40
1270	US TREASURY NB	1.750000	.831311	05/31/16	100.430000	50,000,000.00	50,148,010.06	50,215,000.00	66,989.94	415,655.35
2358	WELLS FARGO BANK	.566200	.525635	06/02/16	99.975000	60,000,000.00	60,008,097.35	59,985,000.00	-23,097.35	315,380.85
2360	JP MORGAN CHASE	5.875000	.914642	06/13/16	101.702000	15,025,000.00	15,294,136.12	15,280,725.50	-13,410.62	137,424.90
1735	US TREASURY NOTE	.500000	.480836	06/15/16	100.016000	50,000,000.00	50,003,511.37	50,008,000.00	4,488.63	240,417.96
2374	FFCB DISCOUNT NT	.000000	.320658	06/16/16	99.845000	50,000,000.00	49,939,555.55	49,922,500.00	-17,055.55	160,329.21
2336	Bank of Nova Scoti	.000000	.552244	06/20/16	99.782222	50,000,000.00	49,893,055.56	49,891,111.00	-1,944.56	276,122.12
1266	US Treasury Note	1.500000	.923065	06/30/16	100.419000	50,000,000.00	50,115,907.98	50,209,500.00	93,592.02	461,532.37
1576	Fannie Mae	.375000	.486095	07/05/16	99.951000	50,000,000.00	49,976,648.48	49,975,500.00	-1,148.48	243,047.54
2380	FRE DISCOUNT NT	.000000	.310666	07/05/16	99.815000	86,730,000.00	86,614,239.54	86,569,549.50	-44,690.04	269,440.72
1637	US TREASURY NOTE	.625000	.499554	07/15/16	100.063000	50,000,000.00	50,028,123.69	50,031,500.00	3,376.31	249,776.94
2440	CAN IMPERIAL BK	1.350000	.908925	07/18/16	100.240000	10,000,000.00	10,020,266.67	10,024,000.00	3,733.33	90,892.52
2266	Royal BK Canada	2.300000	.680301	07/20/16	100.676000	25,000,000.00	25,187,116.45	25,169,000.00	-18,116.45	170,075.29
2375	FFCB DISCOUNT NT	.000000	.350907	07/21/16	99.796000	100,000,000.00	99,833,750.01	99,796,000.00	-37,750.01	350,907.48
1575	US Treasury Note	1.500000	.438090	07/31/16	100.489000	50,000,000.00	50,261,071.59	50,244,500.00	-16,571.59	219,045.02
1801	US TREASURY NOTE	1.500000	.557366	07/31/16	100.489000	50,000,000.00	50,231,848.42	50,244,500.00	12,651.58	278,682.90

KING COUNTY TREASURY OPERATIONS  
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(MANFIN)

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SORTING ORDER: MATD

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\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2362	FFCB DISCOUNT NT	.000000	.320813	08/03/16	99.755000	44,000,000.00	43,928,035.55	43,892,200.00	-35,835.55	141,157.60
2385	FFCB DISCOUNT NT	.000000	.361051	08/16/16	99.737000	100,000,000.00	99,803,000.00	99,737,000.00	-66,000.00	361,050.66
1365	FREDDIE MAC	2.000000	.668799	08/25/16	100.799000	25,000,000.00	25,184,903.17	25,199,750.00	14,846.83	167,199.70
1262	US TREASURY NB	1.000000	.871176	08/31/16	100.255000	25,000,000.00	25,018,278.67	25,063,750.00	45,471.33	217,794.09
1803	US TREASURY NOTE	1.000000	.606917	08/31/16	100.255000	50,000,000.00	50,112,882.47	50,127,500.00	14,617.53	303,458.26
2353	FFCB DISCOUNT NT	.000000	.341050	09/06/16	99.691000	90,000,000.00	89,814,700.00	89,721,900.00	-92,800.00	306,945.05
2376	FFCB DISCOUNT NT	.000000	.391331	09/07/16	99.689000	50,000,000.00	49,881,375.01	49,844,500.00	-36,875.01	195,665.59
2322	ROYAL BK CANADA	1.450000	.790026	09/09/16	100.315000	12,520,000.00	12,569,580.43	12,559,438.00	-10,142.43	98,911.23
1973	US TREASURY NOTE	.875000	.579699	09/15/16	100.191000	50,000,000.00	50,091,024.91	50,095,500.00	4,475.09	289,849.72
2368	FFCB DISCOUNT NT	.000000	.351109	09/16/16	99.676000	71,000,000.00	70,842,616.66	70,769,960.00	-72,656.66	249,287.68
2351	FFCB DISCOUNT NT	.000000	.341092	09/19/16	99.672000	65,000,000.00	64,858,191.67	64,786,800.00	-71,391.67	221,709.84
2386	FFCB DISCOUNT NT	.000000	.401481	09/26/16	99.662000	35,000,000.00	34,907,444.45	34,881,700.00	-25,744.45	140,518.36
1263	US TREASURY NB	1.000000	1.014087	09/30/16	100.285000	50,000,000.00	49,995,444.27	50,142,500.00	147,055.73	507,043.32
2229	PNC BANK NA	1.300000	.934383	09/03/16C	100.195000	19,868,000.00	19,913,058.08	19,906,742.60	-6,315.48	185,643.30
2282	PNC BANK NA CALLAB	1.300000	1.012218	09/03/16C	100.195000	23,500,000.00	23,542,338.67	23,545,825.00	3,486.33	237,871.15
2367	FFCB DISCOUNT NT	.000000	.371340	10/12/16	99.619000	51,000,000.00	50,866,861.67	50,805,690.00	-61,171.67	189,383.20
1974	US TREASURY NOTE	.625000	.630770	10/15/16	100.035000	25,000,000.00	24,998,990.70	25,008,750.00	9,759.30	157,692.38
2186	US TREASURY NOTE	.625000	.455557	10/15/16	100.035000	50,000,000.00	50,059,219.19	50,017,500.00	-41,719.19	227,778.69
2273	TORONTO DOM BANK	2.375000	.887240	10/19/16	100.998000	8,000,000.00	8,084,078.05	8,079,840.00	-4,238.05	70,979.20
2313	TORONTO DOM BANK	2.375000	.840369	10/19/16	100.998000	15,760,000.00	15,931,527.12	15,917,284.80	-14,242.32	132,442.15
2372	FHLB DISCOUNT NT	.000000	.371389	10/27/16	99.597000	17,700,000.00	17,651,064.42	17,628,669.00	-22,395.42	65,735.93
2117	BANK OF AMERICA	1.125000	1.050048	11/14/16	99.987000	28,765,000.00	28,781,644.27	28,761,260.55	-20,383.72	302,046.35
2139	BANK OF AMERICA	1.125000	1.053146	11/14/16	99.987000	4,900,000.00	4,902,718.04	4,899,363.00	-3,355.04	51,604.14
1496	Fannie Mae	1.375000	.712951	11/15/16	100.563000	50,000,000.00	50,257,016.63	50,281,500.00	24,483.37	356,475.65
1802	US TREASURY NOTE	.875000	.727966	11/30/16	100.215000	50,000,000.00	50,060,235.37	50,107,500.00	47,264.63	363,983.16
2174	US TREASURY NOTE	.500000	.448250	11/30/16	99.918000	50,000,000.00	50,021,316.88	49,959,000.00	-62,316.88	224,124.88
2333	BANK NOVA SCOTIA	1.100000	.963820	12/13/16	99.945000	20,000,000.00	20,023,291.69	19,989,000.00	-34,291.69	192,764.00
2379	BANK NOVA SCOTIA	1.100000	.789214	12/13/16	99.945000	18,186,000.00	18,234,427.10	18,175,997.70	-58,429.40	143,526.41
2175	US TREASURY NOTE	.625000	.464052	12/15/16	99.996000	50,000,000.00	50,069,587.44	49,998,000.00	-71,587.44	232,026.09
1391	FED FARM CREDIT CA	.720000	.743987	12/27/12C	100.002000	50,000,000.00	50,000,000.00	50,001,000.00	1,000.00	371,993.52
1640	FHLB Note	.625000	.717911	12/28/16	99.959000	40,000,000.00	39,966,754.72	39,983,600.00	16,845.28	287,164.36
1963	US TREASURY NOTE	.875000	.779310	12/31/16	100.219000	50,000,000.00	50,043,175.59	50,109,500.00	66,324.41	389,654.98
1795	US TREASURY NOTE	.750000	.771540	01/15/17	100.106000	50,000,000.00	49,989,816.12	50,053,000.00	63,183.88	385,770.20
2314	ROYAL BK CANADA	1.200000	1.046316	01/23/17	100.110000	7,730,000.00	7,741,461.28	7,738,503.00	-2,958.28	80,880.22
2323	ROYAL BK CANADA	1.200000	1.076306	01/23/17	100.110000	1,697,000.00	1,699,023.53	1,698,866.70	-156.83	18,264.92
2370	ROYAL BK CANADA	1.200000	.928965	01/23/17	100.110000	34,067,000.00	34,156,133.71	34,104,473.70	-51,660.01	316,470.45
1497	Fannie Mae	1.250000	.756002	01/30/17	100.559000	50,000,000.00	50,242,018.89	50,279,500.00	37,481.11	378,000.93
1962	US TREASURY NOTE	.875000	.809510	01/31/17	100.215000	60,000,000.00	60,038,704.53	60,129,000.00	90,295.47	485,706.14
2227	BANK OF AMERICA	1.250000	1.188753	02/14/17	99.880000	40,000,000.00	40,024,900.48	39,952,000.00	-72,900.48	475,501.23
1757	US TREASURY NOTE	.625000	.901704	02/15/17	99.961000	50,000,000.00	49,858,296.93	49,980,500.00	122,203.07	450,851.94
1756	US TREASURY NOTE	.875000	.922329	02/28/17	100.207000	50,000,000.00	49,974,915.76	50,103,500.00	128,584.24	461,164.33
1414	US TREASURY NOTE	1.000000	.712736	03/31/17	100.367000	50,000,000.00	50,163,883.73	50,183,500.00	19,616.27	356,368.14



KING COUNTY TREASURY OPERATIONS  
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(MANFIN)

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\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
1765	US TREASURY NOTE	.875000	.974227	04/30/17	100.223000	50,000,000.00	49,939,362.93	50,111,500.00	172,137.07	487,113.30
2263	TORONTO DOMINION B	1.125000	1.058958	05/02/17	99.840000	18,200,000.00	18,214,765.46	18,170,880.00	-43,885.46	192,730.38
1766	US TREASURY NOTE	.625000	1.018173	05/31/17	99.879000	50,000,000.00	49,743,738.86	49,939,500.00	195,761.14	509,086.45
2424	US TREASURY NOTE	2.750000	.884130	05/31/17	102.672000	50,000,000.00	51,227,870.73	51,336,000.00	108,129.27	442,065.22
1609	FHLMC BULLET	1.000000	.977087	06/29/17	100.316000	23,778,000.00	23,785,490.23	23,853,138.48	67,648.25	232,331.75
1613	FHLMC BULLET	1.000000	.963425	06/29/17	100.316000	25,000,000.00	25,012,590.52	25,079,000.00	66,409.48	240,856.13
1734	US TREASURY NOTE	.750000	.950970	06/30/17	100.035000	50,000,000.00	49,860,714.35	50,017,500.00	156,785.65	475,485.12
2423	US TREASURY NOTE	2.500000	.923011	06/30/17	102.481000	50,000,000.00	51,102,852.96	51,240,500.00	137,647.04	461,505.26
2371	BANK OF MONTREAL C	1.300000	1.083873	06/14/17C	100.010000	5,560,000.00	5,577,019.68	5,560,556.00	-16,463.68	60,263.35
1369	FREDDIE MAC CALLAB	1.000000	1.022914	07/25/14C	100.334000	50,000,000.00	49,986,565.96	50,167,000.00	180,434.04	511,456.96
1572	US Treasury Note	.500000	.595581	07/31/17	99.648000	50,000,000.00	49,929,505.23	49,824,000.00	-105,505.23	297,790.25
1573	US Treasury Note	.625000	.610249	08/31/17	99.922000	50,000,000.00	50,011,455.66	49,961,000.00	-50,455.66	305,124.36
1745	US TREASURY NOTE	.625000	1.000148	08/31/17	99.922000	50,000,000.00	49,709,778.33	49,961,000.00	251,221.67	500,073.95
1628	Federal Farm Credi	1.125000	1.125000	09/05/17	100.698000	34,900,000.00	34,900,000.00	35,143,602.00	243,602.00	392,625.00
1406	FED HOME LN BANK	.750000	.916458	09/08/17	99.866000	18,980,000.00	18,930,610.49	18,954,566.80	23,956.31	173,943.73
1408	FED HOME LN BANK	.750000	.914838	09/08/17	99.866000	26,415,000.00	26,346,927.98	26,379,603.90	32,675.92	241,654.38
2191	US BANK NA OHIO CA	1.375000	1.087077	08/11/17C	100.174000	25,000,000.00	25,111,834.63	25,043,500.00	-68,334.63	271,769.24
2240	US BANK NA CALLABL	1.375000	1.251635	08/11/17C	100.174000	15,000,000.00	15,028,736.96	15,026,100.00	-2,636.96	187,745.25
1614	FFCB BULLET	1.550000	1.098833	09/18/17	101.100000	19,200,000.00	19,337,684.18	19,411,200.00	73,515.82	210,975.84
1416	Fannie Mae Callabl	1.000000	1.002055	09/20/13C	100.290000	50,000,000.00	49,998,893.14	50,145,000.00	146,106.86	501,027.27
1724	US TREASURY NOTE	.625000	1.025357	09/30/17	99.766000	50,000,000.00	49,674,270.35	49,883,000.00	208,729.65	512,678.56
1744	US TREASURY NOTE	.625000	1.034441	09/30/17	99.766000	50,000,000.00	49,666,909.04	49,883,000.00	216,090.96	517,220.54
1615	FHLB BULLET	1.500000	1.134972	10/10/17	100.615000	32,950,000.00	33,148,077.80	33,152,642.50	4,564.70	373,973.38
2334	ROYAL BK CANADA	1.400000	1.403863	10/13/17	99.935000	15,000,000.00	14,999,006.68	14,990,250.00	-8,756.68	210,579.45
1411	FANNIE MAE	.875000	.919048	10/26/17	100.124000	50,000,000.00	49,962,774.85	50,062,000.00	99,225.15	459,523.96
2318	US TREASURY NOTE	.875000	.893174	11/15/17	100.148000	50,000,000.00	49,983,876.24	50,074,000.00	90,123.76	446,587.06
2320	US TREASURY NOTE	1.000000	.906428	12/15/17	100.395000	50,000,000.00	50,086,220.93	50,197,500.00	111,279.07	453,214.00
2276	BANK NOVA SCOTIA C	1.375000	1.499982	11/18/17C	99.911000	25,000,000.00	24,942,571.09	24,977,750.00	35,178.91	374,995.62
1467	FANNIE MAE	.875000	.872335	12/20/17	100.106000	50,000,000.00	50,002,450.41	50,053,000.00	50,549.59	436,167.35
2321	US TREASURY NOTE	.875000	.931048	01/15/18	100.133000	50,000,000.00	49,945,922.99	50,066,500.00	120,577.01	465,524.21
2103	US Bank NA Callab	1.350000	1.312034	12/26/17C	99.884000	11,500,000.00	11,508,340.65	11,486,660.00	-21,680.65	150,883.87
2120	US BANK NA OHIO CA	1.350000	1.248811	12/26/17C	99.884000	27,225,000.00	27,277,646.79	27,193,419.00	-84,227.79	339,988.86
2180	US TREASURY NOTE	1.000000	.838724	02/15/18	100.352000	65,000,000.00	65,210,588.47	65,228,800.00	18,211.53	545,170.58
2382	US TREASURY NOTE	.750000	.883732	02/28/18	99.848000	50,000,000.00	49,862,726.50	49,924,000.00	61,273.50	441,865.77
2185	FED HOME LN BANK	1.375000	.994011	03/09/18	100.945000	50,800,000.00	51,199,600.83	51,280,060.00	80,459.17	504,957.77
2389	US Treasury Note	1.000000	.916246	03/15/18	100.367000	50,000,000.00	50,087,471.94	50,183,500.00	96,028.06	458,122.80
2164	BANK OF AMERICA	1.650000	1.518078	03/26/18	99.623000	25,000,000.00	25,068,939.21	24,905,750.00	-163,189.21	379,519.53
2165	BANK OF AMERICA	1.650000	1.507939	03/26/18	99.623000	20,000,000.00	20,059,405.07	19,924,600.00	-134,805.07	301,587.79
2264	BANK OF MONTREAL C	1.450000	1.593072	03/09/18C	99.665000	15,376,000.00	15,329,092.38	15,324,490.40	-4,601.98	244,950.69
2390	US Treasury Note	.750000	.945737	04/15/18	99.766000	50,000,000.00	49,787,463.30	49,883,000.00	95,536.70	472,868.67
2381	US TREASURY NOTE	.625000	.924096	04/30/18	99.461000	50,000,000.00	49,668,865.09	49,730,500.00	61,634.91	462,047.79
2393	US TREASURY NOTE	1.000000	1.040797	05/15/18	100.281000	50,000,000.00	49,954,065.56	50,140,500.00	186,434.44	520,398.33

KING COUNTY TREASURY OPERATIONS  
SEATTLE, WASHINGTON

P O R T F O L I O   D E T A I L   F I N A N C I A L   A N A L Y S I S  
AS OF 1/31/16

(MANFIN)

SORTING ORDER: MATD

PAGE: 4

RUN: 02/03/16 09:52:28

\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
1577	Freddie Mac Callab	.950000	1.036413	05/22/15C	99.679000	23,800,000.00	23,753,961.47	23,723,602.00	-30,359.47	246,666.22
1578	Freddie Mac Callab	1.125000	1.137421	11/25/13C	100.001000	41,250,000.00	41,238,528.81	41,250,412.50	11,883.69	469,186.13
2222	PNC BANK NA	1.600000	1.622972	05/02/18C	99.999000	30,000,000.00	29,984,393.14	29,999,700.00	15,306.86	486,891.58
2394	US TREASURY NOTE	1.125000	1.068586	06/15/18	100.598000	50,000,000.00	50,065,592.62	50,299,000.00	233,407.38	534,292.76
2269	TORONTO DOMINION B	1.750000	1.784038	07/23/18	100.214000	35,000,000.00	34,971,451.67	35,074,900.00	103,448.33	624,413.27
2324	TORONTO DOM BANK	1.750000	1.759103	07/23/18	100.214000	14,529,000.00	14,525,720.08	14,560,092.06	34,371.98	255,580.07
2277	ROYAL BK CANADA	1.800000	1.804127	07/30/18	100.274000	25,000,000.00	24,997,509.11	25,068,500.00	70,990.89	451,031.81
2279	BANK OF MONTREAL	1.800000	1.847154	07/31/18	100.157000	20,000,000.00	19,977,225.00	20,031,400.00	54,175.00	369,430.83
1725	US TREASURY NOTE	1.500000	1.520113	12/31/18	101.492000	50,000,000.00	49,971,661.96	50,746,000.00	774,338.04	760,056.29
2445	BANK NOVA SCOTIA	1.950000	1.991060	01/15/19	100.306000	30,000,000.00	29,964,853.74	30,091,800.00	126,946.26	597,318.06
2451	TORONTO DOM BANK	1.950000	1.980013	01/22/19	100.252000	35,000,000.00	34,969,827.83	35,088,200.00	118,372.17	693,004.59
2002	US BANK NA OHIO CA	2.125000	2.144078	09/28/19C	100.578000	25,000,000.00	24,983,180.43	25,144,500.00	161,319.57	536,019.57
2121	US BANK NA OHIO CA	2.125000	2.005089	09/28/19C	100.578000	20,000,000.00	20,084,611.57	20,115,600.00	30,988.43	401,017.89
695	FNR 2003-30 LB	5.000000	4.634180	03/25/32	108.136000	1,442,286.08	1,473,322.96	1,559,630.48	86,307.52	66,838.14
701	FNR 2003-33 PT	4.500000	4.255767	05/25/33	108.741000	1,978,613.00	2,008,596.36	2,151,563.56	142,967.20	84,205.16
702	FNR 2003-33 UP	4.500000	4.255767	05/25/33	107.925000	1,377,209.29	1,398,079.14	1,486,353.13	88,273.99	58,610.82
703	FNR 2003-33 PU	4.500000	4.255767	05/25/33	109.424000	1,811,249.55	1,838,696.73	1,981,941.71	143,244.98	77,082.56
G R A N D   T O T A L S		.881560	.716125	DEC 2016	100.149291	5,855,293,268.38	5,859,243,480.02	5,863,922,704.16	4,679,224.14	41,920,781.79
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## Victoria Recovery Status as of 1/31/2016

Original Cost	\$51,937,149
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Original Par	\$53,300,000	
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Less Accrued not distributed	\$420,537	
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Adjusted Par	\$52,879,463
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<b>Recovered to date</b>	<b>\$42,958,735</b>	<b>81.2%</b>
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Current Par Amount Outstanding	\$9,920,728
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Current Cost Outstanding	\$8,978,414
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### Cash Receipts:

	2008	\$7,990,692.29
	2009	\$6,910,588.46
	2010	\$5,443,668.21
	2011	\$7,793,105.01
	2012	\$4,820,226.87
	2013	\$3,388,703.17
	2014	\$3,696,981.20
	2015	\$2,778,796.49
	2016	\$135,972.83
	<b>Total</b>	<b>\$42,958,734.53</b>

Impaired Pool  
Holdings Report  
01/31/2016

Commercial Paper Issuer	Status	Current Book Value	Estimated Fair Value	Fair Value Adjustment
Cheyne Finance (1)	Restructured - Cash Out	787,502.14	507,750.00	279,752.14
Rhinebridge (1)	Restructured - Cash Out	1,885,308.88	1,134,600.00	750,708.88
Victoria Finance (VFNC Trust) (2)	Restructured - Receiving Monthly Cash Payments	9,920,728.47	6,275,829.00	3,644,899.47
Total		12,593,539.49	7,918,179.00	4,675,360.49
Fair Value Ratio			0.6287	

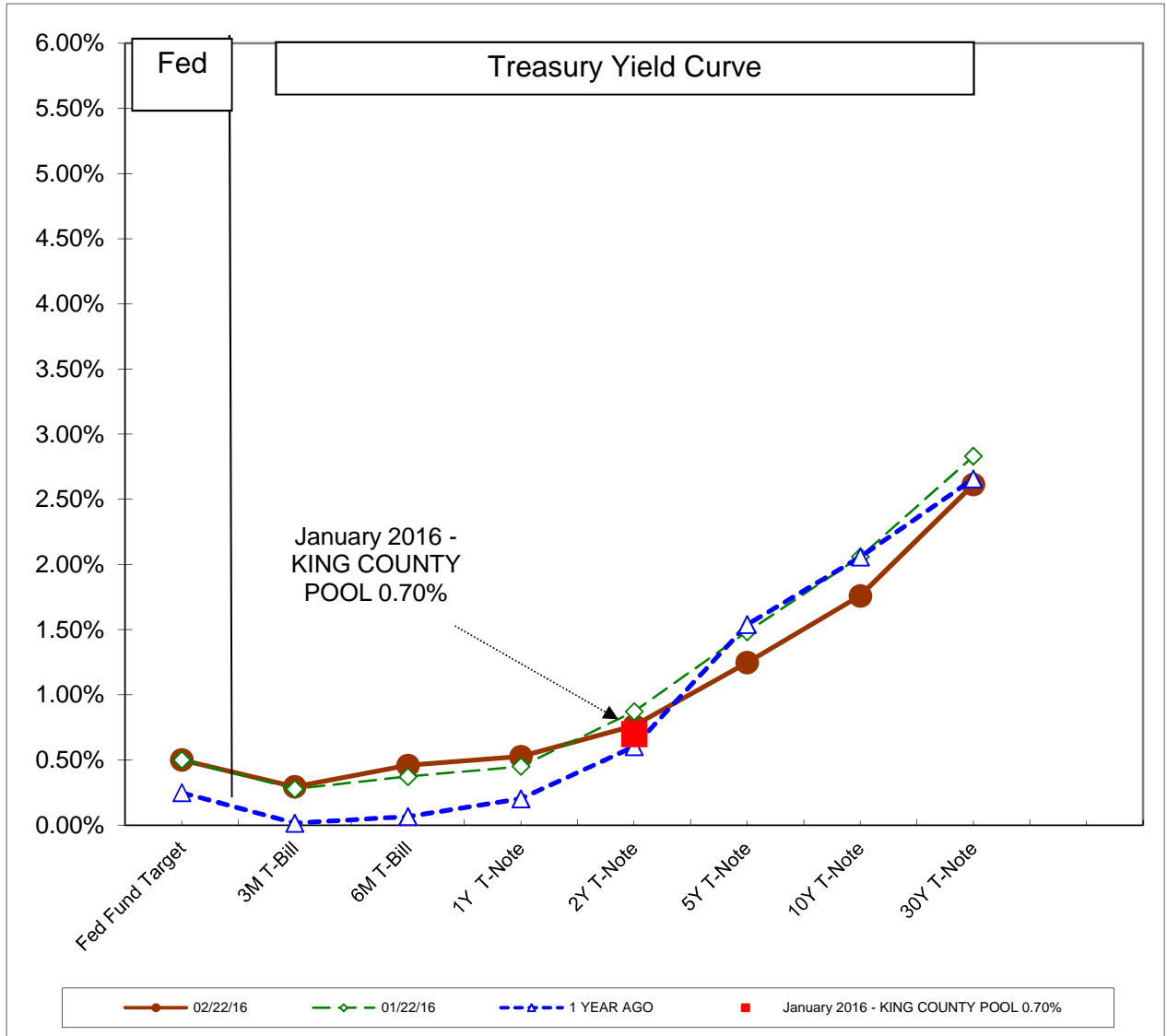
(1) After consulting with the County's financial advisor, the County choose to select the "cash out" option for the Cheyne and Rhinebridge restructurings. However, the Receivers for these programs held back a portion of the cash for various indemnifications. The fair values shown on this report represent the County's potential cash recovery from the amounts being retained by the Receivers.

(2) During September 2009, the County completed the restructuring process for Victoria. Based on consultations with legal and financial experts, the County elected to participate in an "Exchange Offer" in which the County's pro rata share of assets in Victoria were transferred to a new company titled VFNC Trust. At the time of Victoria's restructuring the County's financial advisor estimated that by participating in the exchange offer that the overall recovery rate could be between 50 to 76 percent, and potentially higher. The VFNC Trust investment replaced Victoria in the "impaired pool" and it continues to make monthly cash distributions. It is expected that future monthly distributions will continue for at least 5 or 6 more years, or as long as the underlying securities continue to make cash payments. We do not foresee distributing any realized losses related to Victoria until it is apparent that no further cash flows will be forthcoming. Adding the cash recoveries through January and assuming that the asset could be sold at the quoted dealer price above, the current estimated total recovery would be approximately 93% of the original investment's adjusted par amount.

Pool Earnings Distribution History

	<i>Distributed Losses on Impaired Investments</i>	<i>Pool Earnings Distribution</i>	<i>Net Pool Earnings Distributed</i>
YTD 2016	\$0	\$3,497,005	<b>\$3,497,005</b>
2015	\$427,263	\$33,344,087	<b>\$32,916,824</b>
2014	\$0	\$26,330,761	<b>\$26,330,761</b>
2013	\$0	\$24,331,721	<b>\$24,331,721</b>
2012	\$1,204,894	\$25,978,721	<b>\$24,773,827</b>
2011	\$0	\$29,270,651	<b>\$29,270,651</b>
2010	\$0	\$42,160,462	<b>\$42,160,462</b>
2009	\$0	\$71,036,470	<b>\$71,036,470</b>
2008	\$73,296,907	\$135,838,883	<b>\$62,541,976</b>
2007	\$0	\$199,099,971	<b>\$199,099,971</b>
2006	\$0	\$165,576,358	<b>\$165,576,358</b>

# INTEREST RATE SUMMARY



	02/22/16	01/22/16	1 YEAR AGO
Fed Fund Target	0.50%	0.50%	0.25%
3M T-Bill	0.30%	0.28%	0.02%
6M T-Bill	0.46%	0.37%	0.07%
1Y T-Note	0.53%	0.45%	0.20%
2Y T-Note	0.76%	0.87%	0.60%
5Y T-Note	1.25%	1.48%	1.54%
10Y T-Note	1.76%	2.06%	2.06%
30Y T-Note	2.61%	2.83%	2.66%

# King County Executive Finance Committee

## Interfund Borrowing Report for EFC, Feb 24, 2016 (Jan-2016)

Below is a summary of the causes of the current deficit cash balances.

**Funds listed in Black have a description of the cause of the deficit; funds listed in Blue have an EFC-approved loan in place.**

**Items in Green have not yet been analyzed or needs to be revisited; items in Red appear unusual in nature and should be discussed during today's meeting.**

Interest on Interfund Loans - County Tier 2 Funds Paying Interest					
	Fund No.	AVG Borrowed	Fund Name	Description	
APPRV'D	00-000-180-0	(27,533,759.05)	PUBLIC HEALTH	APPROVED INTERFUND LOAN IN PLACE	
Pooled Tier 1 Funds with Negative Cash Balances					
	Fund No.	Lowest Cash	Average Cash	Fund Name	Description
B	00-000-106-0	(121,399.21)	(36,714.96)	VETERANS RELIEF	Mistimed reimbursement caused negative average - for follow-up
C	00-000-121-0	(2,725,194.40)	(1,428,806.04)	SHARED SERVICES FUND	Pending transfer from 121-1
C	00-000-134-6	(9,645.22)	77,426.25	DPER GENERAL PUBLIC SERVICE	Ended with positive cash; timing difference
F	00-000-141-5	(79,124.87)	(64,522.76)	PARKING FACILITIES	Timing difference; pending revenue collections thru usages
F	00-000-148-0	(8,579.42)	(1,107.02)	BEST START FOR KIDS LEVY	Opened Jan-2016; incurred payroll costs; taxes just started coming in
A	00-000-156-1	(1,722,413.71)	(1,511,430.57)	KC FLD CNTRL OPR CONTRACT	Timing difference reimbursement from District
APPRV'D	00-000-316-0	(59,526.90)	9,716.18	PARKS RECREATION & OS	APPROVED INTERFUND LOAN IN PLACE
B	00-000-331-0	(2,851,449.41)	(1,991,871.87)	LONG-TERM LEASES	Timing difference - pending collections from County agency tenants
APPRV'D	00-000-336-1	(1,344,737.75)	(1,150,787.60)	PS EMERG RADIO NETWORK C	APPROVED INTERFUND LOAN IN PLACE - LEVY FUNDED IN 2016
D	00-000-349-0	(129,827.60)	(101,029.56)	FMD-PARKS FACILITY REHAB	Pending REET reimbursement and error correction of \$121K.
C	00-000-352-2	(2,175,066.11)	(2,084,663.20)	OS KC NON BND FND SUBFUND	Pending receipt of grant revenues
E	00-000-357-1	(4,495,881.60)	(3,119,418.93)	KC FLD CNTRL CAP CONTRACT	Lengthy billing and approval process causes timing issues in cash flow.
D	00-000-380-6	(139,096.81)	(139,096.81)	LTGO 2009 SERIES B	Over-collection by FMD - clears in Feb
APPRV'D	00-000-385-0	(507,228.38)	(473,475.29)	RENTON MAINTENANCE FACIL	APPROVED INTERFUND LOAN IN PLACE - FUTURE LAND SALES PLANNED
D	00-000-390-6	(369.57)	(369.57)	SOLID WASTE CONST 2014 LTG	Entry error to be fixed in Feb
APPRV'D	00-000-395-1	(1,222,163.87)	(437,350.77)	BLDG RPR & REPLACEMENT	APPROVED LOAN ON KSC PROJECT + TIMING ISSUE ON OTHER REV TRFS
D	00-000-395-5	(311,879.42)	(311,879.42)	GEN GOVNT CIP 98-99	Over-collection by FMD - clears in Feb
D	00-000-395-8	(10,151.50)	(10,151.50)	CAPITAL ACQ XCS EARN 96	Over-collection by FMD - clears in Feb
Excluded County Funds with Negative Cash Balances - Tier 2 Funds Not Paying Interest					
	Fund No.	Lowest Cash	Average Cash	Fund Name	Description
B	00-000-216-9	(116,394.58)	(100,886.39)	WA ARCHIVES LOC REC GRANT	Pending grant reimbursement
F	00-000-554-0	(9,441,460.82)	8,475,822.07	PAYROLL REVOLVING	Ended with positive cash; timing difference
F	00-000-668-0	(130,167.61)	16,643.65	AD VALOREM TAX REFUND	Timing difference - pending refunds distribution
F	00-000-699-0	(62,481.57)	(13,058.95)	ASSMT DISTRIBTN / REFUND	Timing difference - pending special distribution

A: Reimbursement funds - reimbursements are collected periodically from other Agencies  
 B: Reimbursement funds - pay expenditures first, get reimbursed later, internal to the coun  
 C: Subfund cash transfers - different subfunds within one Agency  
 D: Known accounting or cash transfer error  
 E: Anticipated seasonality of receipts  
 F: Timing issue of receipts and disbursements

Thanks - if you have questions please contact me at [manny.cristobal@kingcounty.gov](mailto:manny.cristobal@kingcounty.gov)

**Negative Cash Output Processing  
(District Interfund)  
Jan-16**

**District Interfund**

Year: 2016 Period: IAN-2016 Fund Type: C, M	Date:	2/17/2016
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District	District Descriptions	Average Borrowed	Average Cash Balance	Total Borrowed	
64048400	SKYKOMISH SCH LTD GO BOND	(\$0.17)	(\$0.17)	(\$5.27)	<=Notifying district
64128400	SHORELINE SD412 LTD TAX	(\$41.18)	(\$41.18)	(\$1,276.58)	<=Notifying district
70450020	BOTHELL LIFT REV	(\$0.60)	\$18.22	(\$0.60)	<=City funds, no concerns
70458510	BOTHELL G O BOND FUND	(\$2.09)	\$81.43	(\$2.09)	"
70610010	CARNATION GEN TAX REG T	(\$117.20)	\$5,743.32	(\$1,054.79)	"
70950010	DES MOINES GEN TAX REG C	(\$5.08)	\$25,249.24	(\$5.08)	"
71350010	ENUMCLAW GEN TAX REG C	(\$205.05)	\$7,975.25	(\$410.10)	"
71640010	FEDERAL WAY GEN TAX REC	(\$501.14)	\$86,501.42	(\$1,503.41)	"
71640020	FEDERAL WAY LIFT REV	(\$3.54)	\$0.40	(\$31.90)	"
71647020	FED WAY NORTHLAKE LMD #2	(\$695.34)	(\$695.34)	(\$21,555.60)	"
72600010	ISSAQUAH GEN TAX REG C	(\$218.94)	\$63,168.75	(\$656.81)	"
72608510	ISSAQUAH G O BOND FUND	(\$46.92)	\$306.09	(\$140.77)	"
73050010	KENT GEN TAX REG C	(\$278.20)	\$189,872.89	(\$1,947.40)	"
73098510	KIRKLAND G O BOND FUND	(\$6.05)	\$147.91	(\$6.05)	"
73690010	MILTON GENERAL TAX REG T	(\$6,862.09)	(\$6,862.09)	(\$212,724.71)	"
73850010	NEWCASTLE GENERAL TAX REC	(\$174.38)	\$18,024.49	(\$348.76)	"
75150010	REDMOND GEN TAX REG C	(\$547.29)	\$148,230.75	(\$2,189.15)	"
75158510	REDMOND GO BOND FUND	(\$20.05)	(\$4.53)	(\$140.35)	"
75200010	RENTON GEN TAX REG C	(\$21,598.10)	\$253,228.18	(\$367,167.62)	"
75200011	RENTON EXPENSE FUND	(\$300.20)	(\$67.79)	(\$2,101.40)	"
75300010	SAMMAMISH GEN TAX REG	(\$3,828.26)	\$114,295.56	(\$22,969.54)	"
75451190	SEATTLE EMS TAX FUND	(\$4,276.71)	\$13,383.81	(\$4,276.71)	"
75458510	SEATTLE GO BOND FUND	(\$1,833.77)	\$5,672.43	(\$1,833.77)	"
75480010	SHORELINE GENERAL TAX	(\$836.38)	\$81,375.22	(\$1,672.77)	"
75488510	2006 SHORELINE BOND	(\$136.29)	\$270.13	(\$817.73)	"
75910010	TUKWILA GEN TAX REG C	(\$2,412.55)	\$249,997.05	(\$36,188.19)	"
90823510	SAMM PLATEAU SWR CONST	(\$823,913.93)	(\$239,192.71)	(\$7,415,225.37)	<=Balance now positive
91043020	WATER 104 CIP 2012	(\$0.04)	(\$0.04)	(\$1.24)	<=Notifying district
100278510	FIRE 27 G O BOND	(\$2,743.30)	(\$2,743.30)	(\$85,042.38)	<=Balance now positive
100400010	FIRE 40 EXPENSE	(\$506,376.25)	(\$334,123.31)	(\$12,153,029.91)	<=Balance now positive
220010010	DIRECTORS ASSOCIATION	(\$52,937.49)	\$488,163.40	(\$264,687.43)	<=Balance now positive
<b>Report Total:</b>		<b>(\$1,430,918.56)</b>	<b>\$1,167,975.46</b>	<b>(\$20,599,013.48)</b>	

**DEFINITIONS**

<b>Total Borrowed</b>	sum of all daily ending negative cash balances for a fund in a particular month
<b>Average Borrowed</b>	total borrowed by a fund divided by the number of days in a particular month that the fund had a negative ending balance
<b>Average Cash Balance</b>	sum of all ending cash balances (positive & negative) for an entire month divided by the number of days in that month

**Interfund Borrowings from Surplus King County Cash (Automated System)**  
01/31/16

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Fund Balance at Month-end <sup>(1)</sup>	Average Amount Borrowed <sup>(1)</sup>	Interest Paid in Current Month <sup>(1)</sup>	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-1030	County Road Fund	Interim funding to continue operating programs. Repayment from property tax collections.	Original Loan: \$20,000,000 Revised Amt: \$35,000,000 Revised Amt: \$30,000,000 Revised Amt: \$25,000,000	\$23,697,823	\$0	\$0	1/31/2011 12/31/2011 12/31/2013 12/31/2014 12/31/2016	Pool Rate	King County Surplus Cash	7/28/2010 1/26/11 12/7/11 12/5/12 12/4/13 12/3/14
King County	00-000-1341	DPER Abatement Sub-Fund	Clean-up construction materials at processing center on MLK Way South. Repayment from sale of property	Original Loan: \$400,000	\$175,384	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	6/24/2015
King County	00-000-1800	Public Health Fund	Unmatched reimbursements. Repayment from grant billings, grantor payments, and environmental health permit payments.	Original Loan: \$12,000,000 Revised Amt: \$19,000,000 Revised Amt: \$26,000,000 Revised Amt: \$30,000,000 Revised Amt: \$40,000,000	(\$19,183,117)	\$27,533,759	\$16,369	7/31/2013 10/31/2013 4/30/14 1/31/2015 1/28/2015 12/31/16	Pool Rate	King County Surplus Cash	5/22/13 7/24/13 12/4/13 5/28/14 12/26/14 1/28/15 12/2/15
King County	00-000-3361	PSERN Levey Fund	Interim funding until levy revenue is sufficient.	Original Loan: \$30,000,000	(\$1,344,738)	\$1,150,788	\$688	7/31/2016	Pool Rate	King County Surplus Cash	4/22/2015 7/22/15
King County	00-000-3781	KCIT Capital Fund	Fill gap for Mainframe and Unified Communication project not fully covered by bond proceeds.	Original Loan: \$5,200,000	\$7,070,508	\$0	\$0	12/31/2019	Pool Rate	King County Surplus Cash	6/25/2014
King County	00-000-3850	Road Facilities Construction	Advance payments required for Summit Pit sale. Repayment from Summit Pit property sale proceeds.	Original Loan: \$5,000,000 Revised Amt: \$7,000,000 Revised Amt: \$10,000,000 Revised Amt: \$4,000,000	(\$507,217)	\$473,475	\$283	1/31/2011 12/31/2011 12/31/2012 12/31/2014 12/31/2016	Pool Rate	King County Surplus Cash	7/28/2010 1/26/11 12/7/11 12/5/12 2/27/13 12/4/13 12/3/14
King County	00-000-3860	Road's Capital Construction	Provide uninterrupted funding for capital improvement program. Repayment from property tax receipts and Seattle South Park Bridge project.	Original Loan: \$30,000,000 Revised Amt: \$15,000,000 Revised Amt: \$20,000,000	\$11,554,658	\$0	\$0	1/31/2011 12/31/2011 12/31/2012 12/31/2014 12/31/2016	Pool Rate	King County Surplus Cash	7/28/2010 1/26/11 12/7/11 12/5/12 12/3/14
King County	00-000-3951	Building Repair & Replacement Fund	Support Phase 2 of King Street Center work space consolidation. Repayment from lease payments.	Original Loan: \$2,275,600 Revised Amt: \$4,976,000	(\$1,148,962)	\$437,351	\$261	12/31/2020	Pool Rate	King County Surplus Cash	5/27/2015 1/27/16

**Interfund Borrowings (Direct Loans)**  
01/31/16

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Loan Outstanding at Month-end	Fund Balance At Month-end <sup>(1)</sup>	Interest Paid	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-2140	Miscellaneous Grants Fund	Cash flow. Future grant reimbursement.	\$700,000	\$300,000	\$805,210	\$0	Open	0%	King County General Fund	11/26/1975
King County	00-000-3160	Parks and Recreation Open Space Construction Fund	Borrowing is necessary to fulfill the legislative intent of Ordinance 17759 - a use agreement with the Ravensdale Park Foundation. Repayment from REET II revenue.	\$1,475,000	\$475,000	(\$59,408)	N/A	12/31/2017	Pool Rate	Parks and Recreation Fund (1451)	3/26/2014
King County	00-000-3781	KCIT Enterprise Services CIP fund	Cover the Institutional Network equipment replacement. Repayment from the I-Net operating revenue and Public Educational and Government fees collected in I-Net operating fund (4531).	\$1,520,000	\$303,435	\$6,931,237	N/A	2/28/2017	Pool Rate	KCIT Radio Communications CIP Fund (3473)	1/25/2012